

CONTRACT
ADMINISTRATION SERVICE
(CAS) FOR PRIVATIZED &
OUTSOURCED ACTIVITIES

PRESENTED TO JSCAS
EXECUTIVES, 30 JUL 97, BY
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DEFINITIONS

- **OUTSOURCING** - Contracting a Segment or Business Unit of a Program or Activity
- **PRIVATIZATION** - Contracting an Entire Program or Activity, Normally Associated with BRAC
- **CONTRACTING OUT** - Contracts for a Specific Function or Expertise to Replace or Supplement Government Capability

ACQUISITION METHODS

- A76 - Cost Benefit Analysis
- Public/Private Competitions
- Sole Source to Original Equipment Manufacturer (OEM)
- Contractor Logistics Support (CLS)
- Competitive, Either Internal by Gov't or External by LRA (BRAC Related)

CURRENT ACTIVITIES

- Naval Air Warfare Center Indianapolis, Competition by City, Selection Advice by Navy, Award to Hughes
- Louisville Ordnance Plant, Dual Award Competition by City with Award to Hughes and FMC.
- Air Guidance & Metrology Center, Newark, Sole Source to Rockwell

CURRENT ACTIVITIES

- Sacramento Air Logistics Center, SMALC, Public/Private Competition, Two Phase - Study & Perform
- San Antonio Air Logistics Center, SAALC, C5 Programmed Depot Maintenance (PDM) & Propulsion Business Unit, Both are Public/Private Competitions

CURRENT ACTIVITIES

- Kelly & McClellan DLA Distribution Depots, Sole Source to Local Reuse Authority (LRA) and City/County Designated Company.
- Monitoring Developments with C-17 Flexible Sustainment & Apache Contractor Logistic Support Initiatives
- Whole Host of QDR Possibilities.

DCMC EARLY CAS

- Direct Participation on Acquisition Strategy Panel (ASP) and Solicitation Review Board (SRB)
- Membership on Source Selection Advisory Council (SSAC), Source Selection Evaluation Board (SSEB), & Performance Risk Assessment Group (PRAG)

DCMC EARLY CAS

- Co-Chair or Joint Teams which Develop Post Award Concept of Operations (CONOPS) & Team Structure
- Review & Approve Public Offeror Disclosure Statements
- Participating in Definition Process for Post Award Roles & Functions & Process Definition

DCMC CAS INVESTMENT

- NAWC INDY - 20 FTE
- LOUISVILLE - 19 FTE
- NEWARK - 26 FTE
- KELLY - 25 FTE
- SACRAMENTO - 26 FTE
- MILITARY - 18 Billets (FLT OPS)

CAS PERFORMANCE ISSUES

- Performance Based Assessment
- Performance Based Payments on Milestone Schedules and Commercial Type Financing
- Quality Insight vs. Oversight, Public & Private
- Property - GFM, CFM, Community Ownership and Retention of Control
- Cost Monitoring and Reporting

CAS PERFORMANCE ISSUES

- FAR Part 12, Commercial Contracting Provisions, Education
- Increased Emphasis & Importance of Over & Above Process - Responsive Negotiations Cost Control & Fixed Price When Possible
- Co-Mingling of Commercial & Defense Assets, Production, Acquisition, Storage and Shipment

CAS CUSTOMER EXPECTATIONS

- Fast, Responsive & Versatile Support
- One-Stop Shopping (Critical to line units)
- Understand Customer Needs & Issues
- Add Value, Be Proactive, Know the Business (Not Just Contract Administration)
- Minimize Paper and Red Tape
- Reduce Intrusiveness and Costs.

PRIVATIZATION BIG ISSUES

- Funding Process and Controls
- DCMC Oversight of Public Institutions
- Public Subcontractors
- Conversion of GFP to CFP & Retention of Access to One-of-a-Kinds.
- Response and Interface with the Warfighter
- Service Loss of Direct Control

PRIVATIZATION BIG ISSUES

- Prioritization of Requirements
 - Commercial vs Defense
 - Profit vs Fee
- Surge and Response to National Emergencies, Deployability
- Retention of Capability, Loss of Alternatives and Workforce

CONCLUSIONS

- The Contract Drives CAS Requirements
- Teamwork - Early, Continuous, After
- “Break the Mold” and Challenge Industry to put Innovation on the Table & “Price It”
- CAS Personnel must Understand PM/PCO Priorities and Customer Concerns
- We cannot Walk Away after Award